

1 **Q. Please state your name and business address.**

2 A. My name is Cindy Jackson, and my business address is 527 East Capitol Avenue,
3 Springfield, Illinois.

4 **Q. Are you the same Cindy Jackson that previously testified in this docket?**

5 A. Yes.

6 **Q. What is the purpose of your rebuttal testimony?**

7 A. The purpose of my rebuttal testimony is to respond to the issues raised in the
8 rebuttal testimony of Bell Atlantic ("BA") Witness Bellamy and GTE Witnesses
9 Weiss and Attwood regarding the quality of service the proposed reorganized
10 telecommunications carrier will provide to Illinois consumers, especially people
11 with disabilities.

12
13 **I. The Reorganized Carrier's ability to provide adequate, reliable, efficient,**
14 **safe and least-cost public utility service to Illinois Residential Consumers**
15 **pursuant to Section 7-204(b)(1) of the PUA.**
16

17 **Q. Your initial testimony expressed concern about the lack of information**
18 **provided by BA/GTE regarding the implementation of both companies'**
19 **"best practices." Did BA/GTE offer any explanation regarding their "best**
20 **practices?"**
21

22 A. Yes. Mr. Attwood said that Staff did not explain why a condition was necessary
23 and felt that the company was under no obligation to report on best practices,
24 however, the company would be pleased to do so after the merger. (BA/GTE Ex.
25 1.1, p. 31)

26 Q. **Did Staff explain in its initial testimony why the condition for the**
27 **implementation of “best practices” was necessary?**

28
29 A. Yes. Staff explained that the companies had testified that they were in the very
30 early stages of the merger integration process that the “best practices” had not
31 been determined. (ICC Staff Ex. 6, page 6, lines 122 - 126) In response to the
32 lack of information provided about “best practices,” Staff is compelled to propose
33 that this condition be imposed. Staff always welcomes “best practices” that will
34 benefit Illinois consumers and BA/GTE, however, Staff is concerned about the
35 implementation of “best practices” that may be detrimental to Illinois consumers.

36
37 Q. **Did BA/GTE provide sufficient commitment to meet Condition No. 15, as**
38 **expressed in ICC Staff Exhibit 1, regarding the implementation of best**
39 **practices of both companies?**

40
41 A. No. Condition No. 15 stated:

42 BA/GTE shall be required [to] submit to the Commission a
43 list of their “best practices”, within six months of the
44 consummation of the merger. Additionally, BA/GTE should
45 be required to file an annual report on their “best practices”
46 for the next five years.

47
48 Mr. Attwood committed to BA/GTE regularly providing a written report on the
49 origin and implementation of best practices. BA/GTE did not commit to providing
50 a list of “best practices” within six months of the consummation of the merger.

52 **Q. Does Mr. Attwood's commitment resolve your concern that the "best**
53 **practices" may be detrimental to Illinois consumers and diminish their**
54 **telecommunications services?**
55

56 A. No. Mr. Attwood does not provide enough detail. For example, he did not
57 provide a timeframe for when the initial list would be filed, how often, or for what
58 length of time the reports would be filed. Staff requests that BA/GTE clarify its
59 intent in its rebuttal testimony.
60

61 **Q. Were similar condition(s) proposed in any other merger proceedings**
62 **before this Commission?**
63

64 A. Yes. In Docket No. 98-0555, SBC/Ameritech merger, SBC/Ameritech's petition
65 recognized the importance of retaining an active presence in Illinois and
66 voluntarily made a commitment to keep their headquarters in Chicago. Staff and
67 intervenors argued that it was equally important to keep subject matter experts in
68 Illinois. As a result of these arguments the following conditions, in part, were
69 placed in the Post Exceptions Proposed Order ("PEPO"):

70 Headquarters - SBC will maintain Ameritech's headquarters
71 in Chicago and headquarters in each of Ameritech's
72 traditional states; and
73

74 AI [Ameritech Illinois] will maintain a level of regulatory staff
75 reasonably necessary to ensure compliance with all of our
76 Orders.
77

Staff acknowledges that this is not a final order, but it is still important that the PEPO recognized the importance of companies keeping an active presence in Illinois.

Q. How did BA/GTE respond to keeping the Bloomington, Sycamore, Jacksonville, and Marion, Illinois offices open in its rebuttal testimony?

A. Mr. Weise stated that, "... the Merger Integration Teams ("MIT") had not formulated any plans regarding any specific office or offices." Mr. Weise added that GTE "...is and will remain committed to responding to customer needs..." and "...believes the strategic location of Area Customer Operations Managers ("ACOM") offices reflects current service needs in GTE's current Illinois territory." (BA/GTE Ex. 3.1, pp.2-3) Additionally, he states that "GTE is committed to continuing to provide its customers with quality telecommunications services and to compete in the evolving competitive marketplace in Illinois." (BA/GTE Ex. 3.1, p. 4) "Accordingly, GTE must maintain its commitment to an active presence in Illinois and to sustaining an employee base sufficient to providing customers with quality service." (Id.) "As the marketplace becomes increasingly competitive, GTE's presence in Illinois will become even more critical, requiring GTE to maintain a level of staffing and offices to provide the level of service necessary to sustain its position as a viable competitor." (Id.)

99 **Q. Why is BA/GTE's presence in Illinois, so important?**

100
101 A. Staff has already outlined the importance for BA/GTE to keep its presence in
102 Illinois. (ICC Staff Ex. 6, pp. 7-9) Staff believes that if BA/GTE does not retain
103 its presence in Illinois, that the company will lose touch with and become
104 removed from its current customers and any future customers. BA/GTE's active
105 local presence will allow the company to be tuned into and monitor Illinois
106 specific issues and needs. Effective complaint resolution could be hindered
107 without an active Illinois presence. I do not believe that it is fair to require
108 customers to wait for a delayed reaction or response to come from the east
109 coast. GTE's active local presence also allows company employees to monitor
110 and prepare in advance for inclement weather conditions, especially during the
111 Spring and Winter.

112 Additionally, I believe that GTE missing the Out of Service (OOS) > 24 will
113 continue to deteriorate with no active Illinois presence. (ICC Staff Ex. 4.0 and
114 4.1) The lack of an active Illinois presence will provide the means for
115 deteriorating 9-1-1 service and systems will not receive the attention necessary
116 to execute improvements and enhancements. (ICC Staff Exhibit 6.0 and 6.1)
117 Lastly, Illinois issues and needs will be prioritized and allocated with other BA
118 affiliates. Having GTE compete with the resources of other affiliates will slow
119 down their reaction and response time.

120 **Q. Do all local exchange companies have a presence in Illinois?**

121
122 A. Staff is not aware of any incumbent local exchange company that does not have
123 an office in Illinois, either directly or through an affiliate. Many of the competitive
124 local exchange companies also have a presence in Illinois, exhibiting their
125 commitment to the Commission and their customers that they are serious about
126 the service the company provides to its customers.

127

128 **Q. Did BA/GTE commit to Staff's Condition No. 17, as presented in ICC Staff**
129 **Exhibit 1.00, requiring GTE to keep the Bloomington, Sycamore,**
130 **Jacksonville, and Marion, Illinois offices open?**

131
132 A. No. However, BA/GTE did commit to notifying the Commission staff well in
133 advance of any proposed closings of any ACOM in Bloomington, Marion,
134 Sycamore and Jacksonville for the three year period following the close of the
135 merger. (BA/GTE Ex. 3.1 pp. 2-3) Staff appreciates and would expect BA/GTE
136 to notify the Commission, its customers and any company reselling BA/GTE's
137 service in advance of the closing of any of its offices. With all of the
138 commitments and acknowledgements of responsibility made above, it appears
139 that BA/GTE is planning to maintain an active presence in Illinois, however, Staff
140 is perplexed by BA/GTE's refusal to make a commitment. The lack of
141 commitment makes Staff question the magnitude of BA/GTE's commitment to
142 enter the Chicago area as a competitive local service provider.

143 **Q. Does Staff believe that this condition, as currently stated, reflects Staff's**
144 **desired objective?**

145
146 A. No. Staff believes that this condition is important and necessary, but as
147 originally written, should be revised to not restrict BA/GTE from implementing a
148 better option. Keeping in mind GTE's sprawling statewide presence and the
149 number of customers that GTE serves, Staff's preference is to keep all four
150 ACOM offices open. Staff's experience has proven that "less is not always
151 better." Additionally, Staff does not intend to micro-manage or micro-regulate
152 BA/GTE or to prohibit the implementation of a better option. Therefore, the
153 condition is reworded as follows:

154 BA/GTE will maintain an office(s) in Illinois, with a level of
155 staff necessary to ensure compliance with all Commission
156 rules, statutes and orders.
157

158 **Q. Staff asked BA/GTE to provide tangible evidence in its rebuttal testimony**
159 **that the company will aggressively compete to provide local service to**
160 **Illinois' residential, small and medium business customers without**
161 **diminishing service to GTE's current customers while entering Chicago.**
162 **Did BA/GTE provide the requested evidence?**

163
164 A. No. Mr. Attwood stated that BA/GTE has "stated publicly that they will offer
165 services to not only business customers but also residential customers in
166 Chicago and three other cities (Miami, San Francisco, and Los Angeles)."
167 (BA/GTE Ex. 1.1, p. 14) "Chicago will be in the first wave in a broader roll-out of
168 bundled services for consumers, as well as business customers." (Id.) "Chicago
169 was chosen because it shares calling affinities with New York and other cities in

the Northeast.” (Id.) Mr. Attwood also stated that the combined companies quality of service would not diminish and there is no reason why the entry into Chicago would affect the service to other Illinois consumers. (BA/GTE Ex. 1.1, p. 15)

Q. Does Mr. Attwood’s comments address your concerns?

A. No. Staff does not consider these broad general statements as tangible evidence that BA/GTE would aggressively compete to provide local service to Chicago’s residential, small and medium business customers. BA/GTE needs to provide evidence that: resources will not be diverted, enough technical investment will be made to ensure that residential service will not diminish, resources will be equally allocated throughout the state and BA’s region, and how customers’ interest will be balanced throughout the state and BA’s region for all classes of customers. Again, Staff requests BA/GTE to address this issue in its surrebuttal testimony and do not limit the answers to just the items referenced. The answer that BA/GTE is waiting for the MIT to evaluate these issues will not be an acceptable answer.

187 **Q. To ensure that BA/GTE understands the type of information Staff is**
188 **soliciting, please provide some additional examples of information**
189 **necessary to assist in the evaluation in the proposed service.**
190

191 A. The questions that I have posed below is a sampling of the type of information
192 that I would like to obtain and should not be considered as all inclusive. What
193 percentage of residential, small and medium business customers does BA/GTE
194 propose to serve within 5 years and 10 years? Define the broader roll-out of
195 bundled services for consumers? Does GTE's current customers have these
196 same bundled services? How, when, and where will these services be offered?
197 Obviously Chicago businesses would share calling affinities with New York and
198 other cities in the Northeast. Define the calling affinities that residential
199 consumers share with New York and other cities in the Northeast. What proof
200 does BA/GTE have to guarantee that current GTE customers' service will not
201 diminish while concentrating on the Chicago entry? Will advances in technology
202 be offered to BA/GTE customers' statewide and in Chicago?
203

204 **Q. Your initial testimony referred to other competitive companies' claims of**
205 **failure to provide residential service in Chicago and asked BA/GTE to**
206 **comment or provide any evidence regarding how they plan to successfully**
207 **accomplish this goal. Did BA/GTE respond to your request?**
208

209 A. No.
210

211 **II. BA/GTE Reorganization and services to low-income people.**

212

213 **Q. What results did BA/GTE provide to Staff regarding the benefits of BA's**
214 **automatic enrollment for Lifeline customers in New York?**

215

216 **A.** Ms. Bellamy stated, "While it is impossible to know the exact cause and effect
217 between this program and enrollment levels, New York today has the nation's
218 second highest enrollment for Lifeline service (behind California) with more than
219 700,000 participants, indicating it has been beneficial in boosting enrollment."

220

221 **Q. Do you feel that the automatic enrollment would benefit Illinois low income**
222 **consumers?**

223

224 **A.** Yes. Acknowledging the population difference between New York and Illinois,
225 Staff still considers the automatic enrollment program, as implemented in New
226 York, as a "best practice" that BA could bring to Illinois to benefit low income
227 consumers. Even though the UTAC Board has worked hard to advertise the
228 Lifeline program, I am sure that there are consumers who are not aware of the
229 program and others who have not expended the physical effort to sign up. To
230 impose a condition requiring BA/GTE to implement the automatic enrollment
231 exclusively in BA/GTE exchanges and not for the entire state, would be
232 discriminatory to the other local telephone companies and their customers. If the

merger is approved, I would like a commitment from BA/GTE to work with the UTAC Board to implement the Lifeline automatic enrollment program in Illinois.

III. BA/GTE Reorganization and services to people with disabilities

Q. Your direct testimony provided a comparison of the services provided by BA and GTE for people with disabilities. (ICC Ex. 6.0, pp. 14-19) As a result of your comparison, Staff recommended that BA's Universal Design be implemented in Illinois. (ICC Ex. 6.0, p.18) How did BA/GTE respond to Staff's recommendation?

A. Mr. Weise stated that GTE is interested in the continued provision of services to people with disabilities, but also in improving and broadening the services it offers to customers with disabilities. (BA/GTE Ex. 3.1, p. 5) He also agrees that BA's Universal Design Principles could be an effective approach to providing a broad range of accommodating services to individuals with disabilities. (Id.) However, BA/GTE is waiting for the MIT recommendation for implementation as a "best practice." (Id.)

Q. Do you agree with BA/GTE's assessment?

A. I agree that BA's Universal Design Principles provides the opportunity for BA/GTE to improve and broaden the services it offers to people with disabilities. BA is currently offering services and features to people with disabilities, while Illinois companies are claiming that they do not have the technology. For

example, TTY intercept messages will provide TTY users with basic information, such as, the number called is no longer in service or the area code has change; information that hearing people automatically receive and take for granted. BA stated that the Universal Design Principles are a result of a “best practice” gained from the BA/NYNEX merger. (BA/GTE Ex. 3.1, pp.4) This “best practice” should be implemented in Illinois, if the merger is approved. I believe that implementation of this “best practice” would foster competition in this often neglected market and provide the Companies with the opportunity to surpass Ameritech and other competitors.

Q. Your initial testimony recommended a merger condition requiring BA/GTE to establish a disabilities Advisory Council within six months of the consummation of the merger. Did BA/GTE agree to this condition?

A. No. BA/GTE generally agreed that an advisory forum on the issue of services to consumers with disabilities would be beneficial and that Illinois has historically taken an industry-wide approach to such issues. (BA/GTE Ex. 3.1, p. 6)

Q. Does BA/GTE’s recommendation for an advisory forum on the issue of services to people with disabilities address your concerns?

A. No. I would interpret a forum as an open or public meeting where BA/GTE would request feedback and information about the services and features that they provide from people with disabilities. If this is BA/GTE’s intention, then I

disagree. I am recommending an "Advisory Council," a group of people that would be appointed for a specific amount of time to give the companies information and feedback on services and features associated with providing telephone service. I request that BA/GTE provide more concise information in its surrebuttal testimony.

Q. Do you agree with BA/GTE's recommendation for an industry-wide approach to disability issues?

A. Yes, I do agree with BA/GTE that a statewide industry approach is more efficient to respond to the needs of people with disabilities. However, Staff questions if the companies would freely and openly share information or advancements in technology aiding people with disabilities with other companies in a competitive market. I do not agree with BA/GTE that ITAC is the appropriate group.

Q. Why do you disagree with BA/GTE's recommendation that ITAC be used for setting industry goals and policy to meet Staff's recommended Condition No. 16, as presented in ICC Staff Ex. 1.0?

A. There are several reasons why I disagree with ITAC taking on this additional responsibility. First, the condition that I recommended requires an Advisory Council encompassing all types of disabilities. ITAC's services are statutorily mandated to "...servicing the needs of those persons with a hearing or speech

disability.....” as defined in Section 13-703 of the PUA. Using ITAC as it is currently structured, would omit people with sight, mobility and cognitive disabilities. Next, BA/GTE agreed to support a statutory change of ITAC’s mission. GTE is one member of over one-hundred ITAC members, therefore, GTE does not represent all of the companies who belong to ITAC. Nor does GTE have the ability or authority to guarantee a statutory change, they can only provide support. Support does not mean that the statutory change would actually happen. I also doubt if BA/GTE could gain the support of the other telephone companies to add additional groups of people with disabilities to ITAC’s authority, causing increased expenses and a higher line charge to support ITAC, for the expressed benefit of BA/GTE’s merger. I do not think that BA/GTE could gain the support of the hearing and speech disability groups to add additional disabilities to the program. Last, I expect sometime in the near future that the Illinois Commission for the Deaf and Hard of Hearing will assume the duties of the telephone companies for ITAC.

Q. Is Staff aware of any other industry related group that has the ability to facilitate an industry-wide group.

A. The only other option that Staff is aware of is the Illinois Telecommunications Association (“ITA”). I understand that the ITA’s mission is to serve as a forum for its members to identify and to examine issues of common interest; to foster

collaboration among its members; and, where possible, present a unified position for the telecommunications industry before the legislative and regulatory bodies of Illinois. It is Staff's understanding that all incumbent local exchange companies are members of the ITA, however, all of the competitive local exchange companies are not members of the ITA. I believe that the ITA is a more viable solution to an industry-wide approach, than ITAC and would like BA/GTE to comment on this option in its rebuttal testimony. If BA/GTE decides that the ITA is the best approach, I would need a affirmative written confirmation from the ITA, filed with BA/GTE's surrebuttal testimony.

Q. Has a similar condition been proposed in any other merger proceedings before this Commission?

A. Yes. In Docket No. 98-0555, SBC/Ameritech merger, SBC/Ameritech's petition recognized the importance of providing services to people with disabilities. This resulted in the following condition, in part, being placed in the Post Exceptions Proposed Order ("PEPO"):

Universal Design - The Joint Applicants agree to implement SBC's Universal Design Policy in Illinois for people with various disabilities to provide input on telecommunications accessibility, service, features and design; We require Annual Reports on the details of enforcement;

Staff acknowledges that this is not a final order, but it is still important that the PEPO recognized the importance of providing services to people with disabilities.

IV. Recommendations/Conclusion

Q. In your initial testimony, Staff stated for the portion of the merger reviewed, if BA/GTE met the requirements of Section 7-204(b)(1) to provide adequate, reliable, efficient, safe and least-cost service, and if they agreed to meet the conditions that you outlined in your testimony, you supported the merger. Did BA/GTE agree to meet the conditions that you outlined in your testimony?

A. No. BA/GTE did not agree to any of my conditions. I am disappointed in the lack of response provided by BA/GTE and believe that the Companies have taken a step backwards in providing information that will help Staff and intervenors to effectively evaluate the proposed merger. I received very weak assurances to “keep the Commission apprised,” “notify Commission Staff well in advance,” “BA/GTE generally agrees,” or “support a statutory change” in response to Staff’s proposed conditions. Staff needs absolute and explicit commitments from BA/GTE that would take action to overcome my concerns that the merger is going to provide positive results for Illinois consumers.

373 **Q. Do you agree with BA/GTE's excuse of waiting for the MIT to reach a**
374 **decision before a commitment can be made or a conclusion can be**
375 **reached in response to the merger?**
376

377 A. No. A commitment made by BA/GTE or a condition imposed by the Commission
378 will not prohibit the MIT from the completing their assignment of making a
379 determination regarding GTE's office(s). If the MIT reach a decision and
380 BA/GTE did not agree with that conclusion, I believe that it would be safe to
381 assume that decision would not be implemented. Likewise, if the Commission
382 mandated a condition, the MIT could be used to design the course that the
383 Companies would have to take to meet the condition(s).

384 Additionally, a comparison of the information provided by both companies
385 to Staff, obviously demonstrates that the services and features provided by BA
386 to people with disabilities far outweighs GTE's and it should not take a MIT to
387 reach that conclusion. I find it hard to believe that the MIT is the driving force
388 behind the merger. If BA/GTE cannot make any commitments to the
389 Commission about the merger, until the MIT has formulated its plans, then I
390 suggest that the Commission revisit the schedule in this docket and build in time
391 for the BA/GTE's MIT to provide answers that would help Staff evaluate the
392 proposed merger.

393

394 **Q. What conditions did Staff propose in its initial testimony.**
395

396 A. Staff proposed the following conditions, as presented in ICC Staff Exhibit 1.0:

397 (15) BA/GTE shall be required [to] submit to the Commission a
398 list of their "best practices", within six months of the
399 consummation of the merger. Additionally, BA/GTE should
400 be required to file an annual report on their "best practices"
401 for the next five years.
402

403 (16) GTE shall be required to implement BA's Universal Design
404 Principals in Illinois. BA/GTE shall be required to form a
405 Disabilities Advisory Council, made up of Illinois citizens
406 encompassing all types of disabilities, to provide them with
407 input on specific needs and issues in response to
408 telecommunication accessibility, service, features, and
409 design. BA/GTE shall also be required to form the Advisory
410 Council within 6 months of the consummation of the merger
411 and shall provide the Commission with an annual report on
412 their goals and accomplishments for the next 5 years.
413

414 (17) BA/GTE will maintain an office(s) in Illinois, with a level of
415 staff necessary to ensure compliance with all Commission
416 rules, statutes and orders. [Revised per Staff's rebuttal
417 testimony]
418
419

420 **Q. Your initial testimony reserved the right to add additional conditions to the**
421 **merger. Do you want to add any new conditions to your testimony?**
422

423 A. Yes. I want to add the following condition:

424 That BA/GTE will aggressively compete to provide local
425 service to Chicago's residential, small, and medium
426 business customers, without diminishing service to GTE's
427 current customers while entering Chicago.

428

429 **Q. Why do you feel it is necessary to add this additional condition?**

430

431 A. BA/GTE did not provide any tangible evidence and was noncommittal about how

432 the Companies planned to provide service to residential, small and medium

433 business customers. Additionally, BA/GTE did not provide any tangible

434 evidence that its focus on entering Chicago would not diminish service to GTE's

435 current customers.

436

437 **Q. Does this conclude your testimony?**

438 A. Yes, it does.